REMARKS

These remarks are in response to the Office Action dated July 7, 2003, which has a shortened statutory period for response set to expire October 7, 2003. A two-month extension, to expire December 8, 2003 (December 7, 2003 being a Sunday), is requested in a petition filed herewith.

Drawings

In the attached replacement sheets, Fig. 7 is amended to include the term "yes" between step 706 and step 708. An annotated marked-up drawing is submitted herewith for the Examiner's convenience. Support for this amendment is provided in Applicant's specification at least at Page 25, Lines 2-4." No new matter is entered.

Claims

Claims 1-48 are pending in the above-identified application. Claims 1-48 are rejected over prior art. Claims 1, 8, 16, 17, 24, and 32 are amended, and Claims 49-54 are added. Claims 13 and 29 are canceled. Claims 2-7, 9-12, 14-15, 18-23, 25-28, 30-31, and 33-48 remain as filed. Reconsideration is requested.

Interview Summary

A telephone interview was held between Examiner Melanie Kemper and Applicant's attorney Larry E. Henneman, Jr., on November 19, 2003. During the interview, U.S. Patent No. 5,708,422 (Blonder et al.) and U.S. Patent No. 6,529,725 (Joao et al.) were discussed. In particular, Applicant pointed out the following three aspects of Applicant's invention, which Applicant believes are not taught or suggested by the cited references, either alone or in combination.

I. Performing Verification Via A Remote Server

Original Claims 16 and 32 were directed to an embodiment of the invention where verification of transactions with an account-holder is accomplished by a computer that is remote with respect to the computer of the financial institution (e.g. a credit card company). Applicant referred to Fig. 1 of the drawings as an example, where the verification function can be

accomplished by a verification company 108 that is remote from credit card company 106. The Examiner agreed that this aspect of Applicant's invention was not disclosed in the cited references, but indicated that Claims 16 and 32 did not clearly recite this subject matter.

Applicant admits that original Claims 16 and 32 were somewhat difficult to read. Those claims were drafted as they were so that claims directed to the remote verification feature could be depended from a generic base claim covering both remote verification and verification by the credit card company computer. Claims 16 and 32 are amended herein for clarity. Further, new independent Claims 50 and 53 are added to even more clearly recite the subject matter.

II. Account-holder Enablement/Disablement of the Verification Function

Original Claims 13 and 29 are directed to embodiments wherein the account-holder can selectively disable the verification function. Applicant pointed out that neither of the cited references disclose this aspect of Applicant's invention. Although at least one of the cited references disclosed fields for criteria that would trigger verification, no means was provided for the card-holder to change these values. Rather, it appeared that the criteria was set by the credit card company, presumably according the customer's preferences, and would need to be changed by the credit card company. According to Applicant's invention, however, the card-holder could selectively enable/disable the verification function him/herself. For example, prior to dining out a card-holder could phone in and disable the verification function. Then, when paying for dinner with the card, the transaction would be approved in the conventional manner without verification (and the associated delay). After the transaction was processed, the card-holder could then phone in and turn the verification function back on again.

No agreement was reached with respect to whether this subject matter was allowable over the cited references. The unresolved issue was whether a device programmed to respond to verification requests on behalf of the account-holder can be fairly characterized as disabling the verification function. Applicant respectfully asserts that it cannot.

III. Verification Process Initiated by the Account-holder

Original claims 8-12 and 24-27 were directed to embodiments of the invention where the computer system waits for the account-holder to initiate the verification process. Applicant pointed out that in both cited references the server initiates the verification process by sending a

notification to the card-holder, and that this could be a disadvantage where, for example, a fraudulent user has also obtained the card-holder's verification communication device. The Examiner agreed that the cited references did not disclose this feature of Applicant's invention, but indicated that the claims were not so limited. In particular, the Examiner's position was that even though the servers of the cited references sent a notification, they still "waited for the account-holder to establish a connection." The Examiner suggested adding the limitation "wherein notification to said account-holder is disabled" in order to make this distinction. Applicant agreed.

Rejections Under 35 U.S.C. § 112

Claim 8 is rejected under 35 U.S.C. § 112, second paragraph. The Examiner writes:

> The language "operative to wait for said account-holder to initiate said connection with said account-holder" is confusing. This claim was examined similar to claim 24 which includes waiting for the account-holder to initiate communication with the computer system.

Claim 1, lines 8-9, recites "a separate connection with said account-holder." Claim 8 recites "operative to wait for said account-holder to initiate **said** connection with said account-holder." (emphasis added) Thus, Claim 8 refers to an element recited in Claim 1, by the terms used to introduce that element in Claim 1. Therefore, while the language of Claim 8 may sound slightly awkward, it is in fact clear and definite.

For the above reasons Applicant requests reconsideration and withdrawal of the rejection of Claim 8 under 35 U.S.C. § 112.

Rejections Under 35 U.S.C. § 102

Claims 1-6, 13-14, 16-22, 29-30, 32-38, 46, and 48 are rejected under 35 U.S.C. § 102 (b) as being anticipated by Blonder et al. (US 5,708,422). Claims 1-6, 8-9, 11, 13-22, 24-25, 27, 29-38, 40-41, 43, and 46-48 are rejected under 35 U.S.C. § 102(e) as being anticipated by Joao et al. (US 6,529,725).

The standard for anticipation is set forth in M.P.E.P. § 2131 as follows:

> "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." Verdegaal Bros. v. Union Oil Co. of California, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). "The identical invention must be shown in as complete detail as is contained in the ... claim." Richardson v. Suzuki Motor Co., 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

Claims 1-6, 8-9, 11, 13-16:

The subject matter of original Claim 13 is amended into Claim 1, which now recites:

> ...
> wherein said authorization module responsive to instructions from
> said account-holder is operative to automatically verify
> subsequent transaction approval requests without further input
> from said account-holder.

Applicant respectfully asserts that this limitation is not disclosed by either cited reference. Applicant appreciates the specific citations provided by the Examiner, which have been particularly helpful in responding to the Office Action. For this particular limitation, the Examiner cites col. 5, lines 30-45, col. 7, lines 1-10; and col. 14, lines 35-67 of Blonder et al.. However, none of the cited passages disclose a module "responsive to instructions from said account-holder" that "is operative to automatically verify subsequent transaction approval requests without further input from said account-holder," as recited in amended Claim 1. Rather, col. 5, lines 30-45 merely indicates that some profiles may not require alerting or approval, and that other profiles may include alerting parameters. There is no indication that a user can connect with validation database 106 and change the parameters or suspend alerting or approval. Col. 7, lines 1-10 indicates that profiles can include criteria for the approval of transactions when the card owner cannot be reached. Again, there is no indication that a user can connect with validation database 106 and change the parameters or suspend alerting or approval.

Col. 14, lines 35-67 of Blonder et al. describe a fifth embodiment of Blonder's invention wherein the customer obtains a confirmation code for use in a specific subsequent transaction, prior to initiating the transaction, and then provides the code to the retailer and processing center, which uses the code to verify the transaction. This process, however, does not suspend the

verification process, such that subsequent transactions are automatically verified, but only provides an alternative way to verify the one particular preauthorized transaction.

The Examiner further cites col. 11, lines 1-10 and col. 7, lines 45-67 of Joao et al.. However, these passages also do not disclose the limitations of original Claim 13, which have now been amended into Claim 1. In particular, col. 7, lines 45-67 describe programming a communication device to respond on behalf of the cardholder. Programming such a device to respond "automatically" to approval requests is not the same as suspending verification at the processing center. Indeed, as recited in amended Claim 1, it is the "authorization module" of the verifying computer that automatically verifies subsequent transaction requests, such that no further verification is required. In contrast, according to Joao et al., approval requests continue to be sent, but are responded to by a device that is not part of the claimed apparatus.

With respect to the paragraph appearing at col. 11, lines 1-8 of Joao et al., Applicant respectfully asserts that the cited paragraph is unintelligible. Certainly, the passage does not provide an enabling disclosure of a system "wherein said authorization module responsive to instructions from said account-holder is operative to automatically verify subsequent transaction approval requests without further input from said account-holder," as recited in amended Claim 1. Should the Examiner disagree, Applicant respectfully requests clarification of the interpretation of the cited passage, so that Applicant may have a fair opportunity to respond.

For at least the foregoing reasons, Applicant respectfully asserts that amended Claim 1 is distinguishable over the prior art of record.

Claims 2-6, 8-9, 11, and 13-16 depend either directly or indirectly from amended Claim 1 and are therefore distinguished from the cited prior art for at least the reasons provided above with respect to amended Claim 1.

Claims 17-22, 24-25, 27, 29-38, 40-41, 43, and 46-48:

The subject matter of original Claim 29 is amended into Claim 17, which now recites:

> ...
>   receiving instructions from said account-holder to selectively
>   enable or disable said step of electronically verifying said
>   transaction approval request; ...

Applicant respectfully asserts that amended Claim 17 is distinguishable over the prior art of record for at least the same reasons provided above with respect to amended Claim 1.

Claims 18-22, 24-25, 27, 29-38, 40-41, 43, and 46-48 depend either directly or indirectly from Claim 17, and are, therefore, distinguishable from the cited references for at least the same reasons.

Claims 16 and 32:

Claims 16 and 32 are further distinguishable from the cited prior art for the reasons set forth above in the interview summary. In particular, the prior art does not disclose a system or method wherein the verification process is performed by a system remote from the system performing the conventional credit approval. Indeed, during the interview the Examiner indicated that this was the clearest distinction between Applicant's invention and the prior art. Applicant believes that the amendments to Claims 16 and 32 made herein clarify this distinction as suggested by the Examiner during the interview.

Claims 8-12, 24-27, and 40-43:

Claims 8 and 24 are further distinguishable from the cited prior art for the reasons set forth in the interview summary above. In particular, the prior art does not disclose a system or method wherein the account-holder initiates the verification process without any prior notification from the credit card company. Claims 8 and 24 are amended herein to include the clarifying language suggested by the Examiner during the interview.

Claims 9-12, 25-27, and 40-43 depend either directly or indirectly form one of Claims 8 and 24, and are therefore distinguishable over the cited references for at least the same reasons.

For the above reasons Applicants request reconsideration and withdrawal of all rejections under 35 U.S.C. § 102.

Rejections Under 35 U.S.C. § 103

Claims 7 and 23 are rejected under 35 U.S.C. § 103 as being unpatentable over Blonder et al.. Claims 8-12, 15, 24-28, 31, 39-45, and 47 are rejected under 35 U.S.C. § 103 as being unpatentable over Blonder et al. in view of Joao et al..

Applicant respectfully asserts that the amendments to independent base claims 1 and 17 obviate the obviousness rejections. In particular, in order to establish a prima facie case of obviousness, the prior art reference (or references when combined) must teach or suggest all of the claim limitations. M.P.E.P. §2143. However, as indicated above with respect to Claims 1 and 17, the cited references do not teach or suggest all of the limitations of the base claims. Thus, no prima facie case of obviousness is established with respect to the dependent claims.

For the above reasons Applicants request reconsideration and withdrawal of the rejections under 35 U.S.C. § 103.

New Claims:

New Claim 49 combines the subject matter of original Claims 1 and 8, and is therefore allowable over the prior art of record for at least the reasons provided above with respect to Claim 8. New Claim 50 combines the subject matter of original Claims 1 and 16, and is therefore allowable over the prior art of record for at least the reasons provided above with respect to Claim 16. New Claim 51 combines the subject matter of original Claims 17 and 24, and is therefore allowable over the prior art of record for at least the reasons provided above with respect to Claim 24. New Claim 52 is a computer-readable medium claim depending from Claim 52. New Claim 53 combines the subject matter of original Claims 17 and 32, and is therefore allowable over the prior art of record for at least the reasons provided above with respect to Claim 32. New Claim 54 is a computer-readable medium claim depending from Claim 53.

For the foregoing reasons, Applicant believes Claims 1-12, 14-28, and 30-54 are in condition for allowance. Should the Examiner undertake any action other than allowance of Claims 1-12, 14-28, and 30-54, or if the Examiner has any questions or suggestions for expediting the prosecution of this application, the Examiner is requested to contact Applicant's attorney at (269) 279-8820.

Respectfully submitted,

Date: _12/8/03_

Larry E. Henneman
Larry E. Henneman, Jr., Reg. No. 41,063
Attorney for Applicant
Henneman & Saunders
714 W. Michigan Ave.
Three Rivers, MI 49093

CERTIFICATE OF MAILING (37 CFR 1.8(A))

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being deposited with the United States Postal Service on the date shown below with sufficient postage as first class mail in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Date: _12/8/03_   _Larry E. Henneman_
                                   Larry E. Henneman, Jr.
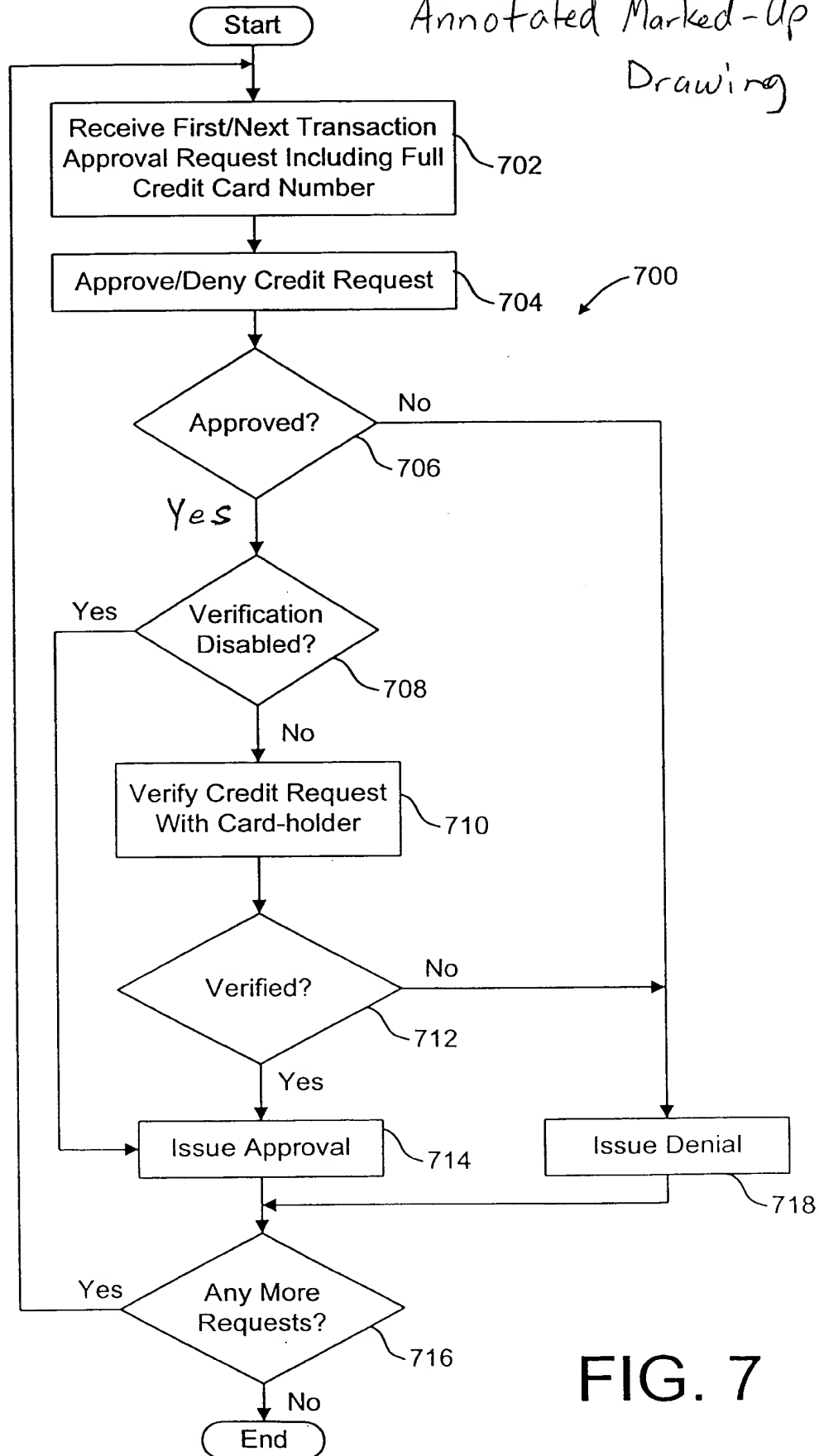

Annotated Marked-Up
Drawing

```
                    ( Start )

          ┌──────────────────────────────┐
          │ Receive First/Next Transaction│
          │ Approval Request Including Full│──── 702
          │      Credit Card Number       │
          └──────────────────────────────┘
                         │
          ┌──────────────────────────────┐
          │  Approve/Deny Credit Request  │──── 704        700
          └──────────────────────────────┘
                         │
                     ◇ Approved?  ──── No ─────────────────┐
                        706                                │
                      Yes                                  │
                         │                                 │
                     ◇ Verification                        │
                       Disabled?  ── Yes ──┐               │
                        708                │               │
                       No                  │               │
                         │                 │               │
          ┌──────────────────────────┐     │               │
          │   Verify Credit Request   │──── 710            │
          │     With Card-holder      │     │               │
          └──────────────────────────┘     │               │
                         │                  │               │
                     ◇ Verified? ── No ─────┼──────────────▶│
                        712                 │               │
                       Yes                  │               │
                         │     ┌────────────┘               │
          ┌──────────────────────┐          ┌──────────────────┐
          │   Issue Approval      │──── 714  │   Issue Denial   │
          └──────────────────────┘          └──────────────────┘
                         │◀─────────────────────────┘    718
                     ◇ Any More
          Yes ──────   Requests?
                         716
                       No
                     ( End )
```

FIG. 7